

# **State of Alaska FY2025 Governor's Operating Budget**

## **Department of Labor and Workforce Development Second Injury Fund Component Budget Summary**

## Component: Second Injury Fund

### Contribution to Department's Mission

Facilitates reemployment of injured workers.

### Core Services

- Assist employers in hiring and retaining employees with qualifying disabilities through disability benefit reimbursements.
- Collect assessments from insurers and self-insured employers.

### Major Component Accomplishments in 2023

Open claims continued to decrease, from 68 to 62. The previous year's open claims decreased from 73 to 68.

### Key Component Challenges

No key component challenges.

### Significant Changes in Results to be Delivered in FY2025

During the 2018 legislative session, HB 79 was enacted to sunset the Second Injury Fund. The program continued to accept new claims until October 1, 2020, for injuries that occurred on or before August 31, 2018. Only existing claims will be paid and will decline over time until the fund's liability is exhausted. It will likely take decades for the fund to pay these ongoing claim obligations, as 95 percent of these claims are categorized as permanent total disability (PTD) benefits. PTD benefits are paid until disability ends or until death.

### Statutory and Regulatory Authority

Statutory Authority:

AS 23.30.040  
AS 23.30.205

Second Injury Fund  
Injury Determination

Administrative Regulations:

8 AAC 50

Second Injury Fund

### Contact Information

**Contact:** Charles Collins, Director

**Phone:** (907) 465-6060

**E-mail:** Charles.Collins@alaska.gov

**Second Injury Fund  
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<b>FY2024 Management Plan</b>	<b>FY2025 Governor</b>		
Full-time	1	1	Annual Salaries	144,498
Part-time	0	0	COLA	4,067
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	90,364
			<i>Less 2.73% Vacancy Factor</i>	(6,529)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>1</b>	<b>1</b>	<b>Total Personal Services</b>	<b>232,400</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Workers Compensation Officer 1	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>

**Component Detail All Funds**  
**Department of Labor and Workforce Development**

**Component:** Second Injury Fund (2342)  
**RDU:** Workers' Compensation (112)

Non-Formula Component

	<b>FY2023 Actuals</b>	<b>FY2024 Enrolled</b>	<b>FY2024 Authorized</b>	<b>FY2024 Management Plan</b>	<b>FY2025 Governor Adjusted Base</b>	<b>FY2025 Governor</b>	<b>FY2024 Management Plan vs FY2025 Governor</b>	
1000 Personal Services	208.5	218.2	218.2	224.9	232.4	232.4	7.5	3.3%
2000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
3000 Services	30.8	79.4	79.4	72.7	72.7	72.7	0.0	0.0%
4000 Commodities	0.0	4.3	4.3	4.3	4.3	4.3	0.0	0.0%
5000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
7000 Grants, Benefits	2,093.5	2,568.3	2,568.3	2,568.3	2,568.3	2,568.3	0.0	0.0%
8000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>2,332.8</b>	<b>2,870.2</b>	<b>2,870.2</b>	<b>2,870.2</b>	<b>2,877.7</b>	<b>2,877.7</b>	<b>7.5</b>	<b>0.3%</b>
<b>Fund Sources:</b>								
1031 Sec Injury (DGF)	2,332.8	2,870.2	2,870.2	2,870.2	2,877.7	2,877.7	7.5	0.3%
<b>Unrestricted General (UGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</b>	<b>2,332.8</b>	<b>2,870.2</b>	<b>2,870.2</b>	<b>2,870.2</b>	<b>2,877.7</b>	<b>2,877.7</b>	<b>7.5</b>	<b>0.3%</b>
<b>Other Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>								
Permanent Full Time	1	1	1	1	1	1	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0	0.0%

**Change Record Detail - Multiple Scenarios with Descriptions**  
**Department of Labor and Workforce Development**

**Component:** Second Injury Fund (2342)  
**RDU:** Workers' Compensation (112)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2024 Enrolled To FY2024 Authorized *****												
FY2024 Enrolled												
1031 Sec Injury	Enrolled	2,870.2	218.2	0.0	79.4	4.3	0.0	2,568.3	0.0	1	0	0
		2,870.2										
	Subtotal	2,870.2	218.2	0.0	79.4	4.3	0.0	2,568.3	0.0	1	0	0
***** Changes From FY2024 Authorized To FY2024 Management Plan *****												
Align Authority with Anticipated Expenditures												
LIT		0.0	6.7	0.0	-6.7	0.0	0.0	0.0	0.0	0	0	0
Transfer Second Injury Fund authority from services to personal services to align personal services with anticipated expenditures.												
	Subtotal	2,870.2	224.9	0.0	72.7	4.3	0.0	2,568.3	0.0	1	0	0
***** Changes From FY2024 Management Plan To FY2025 Governor Adjusted Base *****												
FY2025 Salary, Health Insurance, and PERS Rate Adjustments												
SalAdj		7.5	7.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1031 Sec Injury		7.5										
FY2025 Salary, Health Insurance, and PERS Rate Adjustments: \$7.5												
FY2025 AlaskaCare insurance from \$1,793 to \$1,908 per member per month: \$1.2												
FY2025 GGU 5% Cost of Living Adjustment: \$3.9												
FY2025 PERS Rate Adjustment from 25.10% to 26.76%: \$2.4												
	Subtotal	2,877.7	232.4	0.0	72.7	4.3	0.0	2,568.3	0.0	1	0	0
***** Changes From FY2025 Governor Adjusted Base To FY2025 Governor *****												
Totals		2,877.7	232.4	0.0	72.7	4.3	0.0	2,568.3	0.0	1	0	0

**Line Item Detail (1676)**  
**Department of Labor and Workforce Development**  
**Services**

**Component:** Second Injury Fund (2342)

Line Number	Line Name			FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
3000	Services			30.8	72.7	72.7
Object Class		Servicing Agency	Explanation	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
<b>3000 Services Detail Totals</b>				<b>30.8</b>	<b>72.7</b>	<b>72.7</b>
3003	Information Technology		Information technology, including training, consulting, leases, and software licensing and maintenance.	0.1	0.1	0.0
3004	Telecommunications		Local, long distance, and cellular telephone charges, television, data/network, telecommunication equipment, and other wireless charges from outside vendors.	0.0	0.1	0.1
3011	Other Services		Other services including interpreters, consulting, print, copy and graphic services, and safety services.	0.0	40.4	39.1
3012	Inter-Agency Federal Indirect Rate Allocation	Labor - Management Services (335)	Indirect cost allocation for departmental purchasing, accounting, reports, personnel consultation and other services provided by Management Services.	13.1	12.2	13.4
3013	Inter-Agency Data Processing Operations Allocation	Labor - Management Services (335)	Allocation for Data Processing network and support services.	0.7	0.7	0.7
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	Reimbursable services agreement with the Office of Information Technology rate for non-telecommunications support, including software and computer services.	3.1	3.1	3.3
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	Reimbursable services agreement with the Office of Information Technology for telecommunication support.	0.5	0.6	0.6

**Line Item Detail (1676)**  
**Department of Labor and Workforce Development**  
**Services**

**Component:** Second Injury Fund (2342)

Object Class		Servicing Agency	Explanation	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
<b>3000 Services Detail Totals</b>				<b>30.8</b>	<b>72.7</b>	<b>72.7</b>
3022	Inter-Agency Human Resources	Admin - Department-wide	Reimbursable services agreement with the Division of Personnel and Labor Relations for human resources and personnel services.	0.8	0.9	0.9
3023	Inter-Agency Building Leases	Admin - Department-wide	State-owned facility space rent or other property leases.	12.1	14.2	14.2
3025	Inter-Agency Auditing	Admin - Department-wide	Reimbursable services agreement with the Department of Administration for auditing services, including federal compliance audits.	0.0	0.1	0.1
3026	Inter-Agency Insurance	Admin - Department-wide	Reimbursable services agreement with the Division of Risk Management for risk management insurance charges for leased buildings, repossessed properties, public official bonds, and overhead.	0.1	0.1	0.1
3027	Inter-Agency Financial	Admin - Department-wide	Reimbursable services agreement with the Division of Finance for system services for State accounting and payroll (IRIS), and reporting (ALDER) systems.	0.3	0.2	0.2

**Line Item Detail (1676)**  
**Department of Labor and Workforce Development**  
**Commodities**

**Component:** Second Injury Fund (2342)

Line Number	Line Name		FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
4000	Commodities		0.0	4.3	4.3
Object Class	Servicing Agency	Explanation	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
<b>4000 Commodities Detail Totals</b>			<b>0.0</b>	<b>4.3</b>	<b>4.3</b>
4000	Business	General business supplies such as office consumables and computer equipment.	0.0	4.3	4.3



**Line Item Detail (1676)**  
**Department of Labor and Workforce Development**  
**Grants, Benefits**

**Component:** Second Injury Fund (2342)

Line Number	Line Name		FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
7000	Grants, Benefits		2,093.5	2,568.3	2,568.3
Object Class	Servicing Agency	Explanation	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
		<b>7000 Grants, Benefits Detail Totals</b>	<b>2,093.5</b>	<b>2,568.3</b>	<b>2,568.3</b>
7002	Benefits	Second Injury Fund (AS 23.30.203) provides benefits to employers/insurers of injured disabled workers through reimbursement.	2,093.5	2,568.3	2,568.3

**Revenue Detail (1681)**  
**Department of Labor and Workforce Development**

**Component:** Second Injury Fund (2342)

Revenue Type (OMB Fund Code)	Component	Comment	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
Revenue Source					
<b>6031 Sec Injury (1031 Sec Injury)</b>			<b>2,332.8</b>	<b>2,870.2</b>	<b>2,877.7</b>
6421 Second Injury Fund Reserve Account - Contributions		The Second Injury Fund Reserve Account (AS 23.30.040) is a dedicated fund established to encourage employers to hire and retain persons with pre-existing physical conditions. Employers and insurers support the fund.	2,332.8	2,870.2	2,877.7

**Inter-Agency Services (1682)**  
**Department of Labor and Workforce Development**

**Component:** Second Injury Fund (2342)

				FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
<b>Component Totals</b>				<b>30.7</b>	<b>32.1</b>	<b>33.5</b>
With Department of Labor and Workforce Development				13.8	12.9	14.1
With Department of Administration				16.9	19.2	19.4
Object Class	Servicing Agency	Explanation		FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
3012	Inter-Agency Federal Indirect Rate Allocation	Labor - Management Services (335)	Indirect cost allocation for departmental purchasing, accounting, reports, personnel consultation and other services provided by Management Services.	13.1	12.2	13.4
3013	Inter-Agency Data Processing Operations Allocation	Labor - Management Services (335)	Allocation for Data Processing network and support services.	0.7	0.7	0.7
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	Reimbursable services agreement with the Office of Information Technology rate for non-telecommunications support, including software and computer services.	3.1	3.1	3.3
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	Reimbursable services agreement with the Office of Information Technology for telecommunication support.	0.5	0.6	0.6
3022	Inter-Agency Human Resources	Admin - Department-wide	Reimbursable services agreement with the Division of Personnel and Labor Relations for human resources and personnel services.	0.8	0.9	0.9
3023	Inter-Agency Building Leases	Admin - Department-wide	State-owned facility space rent or other property leases.	12.1	14.2	14.2
3025	Inter-Agency Auditing	Admin - Department-wide	Reimbursable services agreement with the Department of Administration for auditing services, including federal compliance audits.	0.0	0.1	0.1
3026	Inter-Agency Insurance	Admin - Department-wide	Reimbursable services agreement	0.1	0.1	0.1

**Inter-Agency Services (1682)**  
**Department of Labor and Workforce Development**

**Component:** Second Injury Fund (2342)

Object Class		Servicing Agency	Explanation	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
3027	Inter-Agency Financial	Admin - Department-wide	with the Division of Risk Management for risk management insurance charges for leased buildings, repossessed properties, public official bonds, and overhead.			
			Reimbursable services agreement with the Division of Finance for system services for State accounting and payroll (IRIS), and reporting (ALDER) systems.	0.3	0.2	0.2

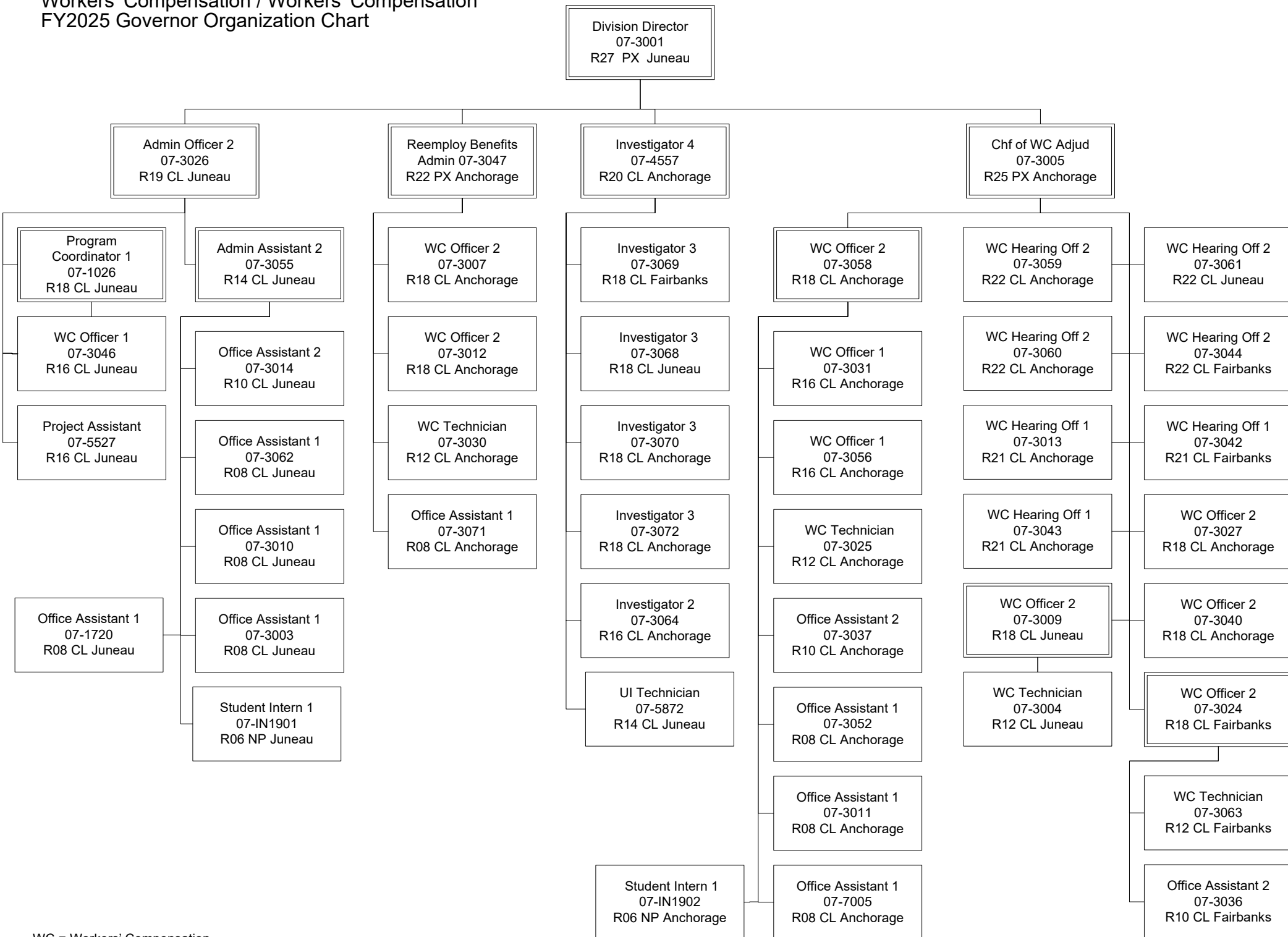
# **Personal Services Expenditure Detail** **Department of Labor and Workforce Development**

**Scenario:** FY2025 Governor (20959)  
**Component:** Second Injury Fund (2342)  
**RDU:** Workers' Compensation (112)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
07-1026	Program Coordinator 2	FT	A	SS	Juneau	205	20L	3.0	*	26,229	0	0	16,058	42,287	0
07-3001	Division Director - Px	FT	A	XE	Juneau	N05	27F / J	2.5	*	29,081	0	0	16,187	45,268	0
07-3026	Administrative Officer 2	FT	A	SS	Juneau	205	19J	2.5	*	19,197	0	0	12,337	31,534	0
07-3046	Workers Compensation Officer 1	FT	A	GP	Juneau	205	16N	6.0	**	42,382	2,951	0	26,170	71,503	0
07-3055	Administrative Assistant 2	FT	A	SS	Juneau	605	14B	2.5	*	11,586	0	0	9,350	20,936	0
07-5527	Project Assistant	FT	A	GP	Juneau	205	16K	2.5	*	16,023	1,116	0	10,262	27,401	0
<div> <div> <b>Total Positions</b>  <b>Full Time Positions:</b> 1  <b>Part Time Positions:</b> 0  <b>Non Permanent Positions:</b> 0  <b>Positions in Component:</b> 1 </div> <div> <b>New</b>  0  0  0  0 </div> <div> <b>Deleted</b>  0  0  0  0 </div> </div>														<b>Total Salary Costs:</b> 144,498 <b>Total COLA:</b> 4,067 <b>Total Premium Pay:</b> 0 <b>Total Benefits:</b> 90,364	
<b>Total Component Months:</b> 19.0														<b>Total Pre-Vacancy:</b> 238,929 <b>Minus Vacancy Adjustment of 2.73%:</b> (6,529) <b>Total Post-Vacancy:</b> 232,400 <b>Plus Lump Sum Premium Pay:</b> 0	
														<b>Personal Services Line 100:</b> 232,400	
<b>PCN Funding Sources:</b>						<b>Pre-Vacancy</b>	<b>Post-Vacancy</b>	<b>Percent</b>							
1031 Second Injury Fund Reserve Account						238,929	232,400	100.00%							
<b>Total PCN Funding:</b>						<b>238,929</b>	<b>232,400</b>	<b>100.00%</b>							

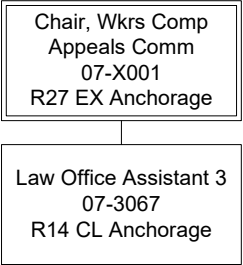
Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column.  
[No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Department of Labor and Workforce Development  
Workers' Compensation / Workers' Compensation  
FY2025 Governor Organization Chart

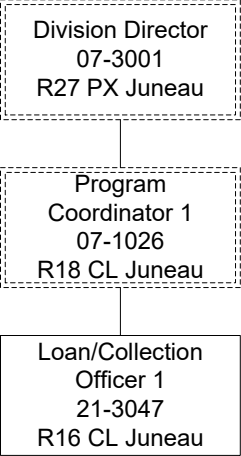


WC = Workers' Compensation

Department of Labor and Workforce Development  
Workers' Compensation / Workers' Compensation Appeals Commission  
FY2025 Governor Organization Chart

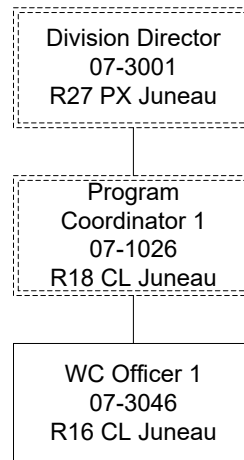


Department of Labor and Workforce Development  
Workers' Compensation / Workers' Compensation Benefits Guaranty Fund  
FY2025 Governor Organization Chart





Department of Labor and Workforce Development  
Workers' Compensation / Workers' Compensation Second Injury Fund  
FY2025 Governor Organization Chart



Department of Labor and Workforce Development  
Workers' Compensation / Workers' Compensation Fishermen's Fund  
FY2025 Governor Organization Chart

